



Irish Life Weekly Investment Bulletin

The week that was – WEEK 29 2018 (ending 20/07/2018)

“We don't see things as they are, we see them as we are.” – Anais Nin

Irish residential property prices rose by 12.4% y-o-y in May – Latest figures from the Central Statistics Office show that national level residential property prices increased by 12.4% year-on-year in May, with Dublin prices up by 10.7%, the Rest of Ireland by 14.1% and with Mid-West region houses the highest at 22.1%.

Ireland finishes 10th (out of 126) for Global Innovation – Ireland has been rated 10th out of 126 countries in the latest Global Innovation Index (published by Cornell University, INSEAD and the World Intellectual Property Organization) with Switzerland No 1 (for the eighth consecutive year) and Yemen at No 126.

Global stock market up 0.1% on the week – The MSCI AC World TR Index showed a small 0.12% return from 13th July to 20th July, albeit a third consecutive weekly gain, totaling 2.3%. Markets coped with the latest trade war rhetoric, supported by corporate earnings. The Vix closed the week at 12.86, up slightly from 12.18.

IMF maintains global growth forecast of 3.9% – The International Monetary Fund has reiterated its global growth projection of 3.9% for 2018 and 2019 but said rising trade war concerns cloud the future outlook. It also said a no-deal Brexit scenario would cut about 1.5% from EU GDP growth by 2030 with Ireland/UK worse at 4%.

Trump knocks Fed rates policy – U.S. President Donald Trump broke with decades of tradition by criticising Federal Reserve monetary policy, saying he is “not thrilled” with it. The Fed have raised U.S. rates five times since he took office in January last year, and have signalled two more increases for the remainder of this year.

UK inflation held steady at 2.4% in June – The Office for National Statistics reported that y-o-y inflation in June unexpectedly remained at 2.4%, unchanged from May, with economists expecting 2.6%. Core inflation fell to 1.9% from 2.1% in May, the lowest rate since March 2017, which may reduce the chances of an August rate rise by BoE.

The Story of the week: A Texas baby, Gracelyn Mae Violet Griffin, was born during the week in the bathroom of fast food chain Chick-Fil-A and she will get all the free food she wants for life at her parents' favorite fast-food restaurant. She has also been offered a guaranteed first job when she turns 16. She is the first baby with a birth certificate that reads "Born in Chick-Fil-A". The San Antonio franchise owner Ben Stover has also started planning her nugget-themed first birthday. Her parents - Falon and Robert - are obviously delighted with Mr Stover's 'hospitality' and gifts.

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Index Performances and Market Data*

Equity and Bond Markets % (in Local Currency)	2013	2014	2015	2016	2017	2018 YTD (to 20/07)
MSCI AC World (Gross TR)	26.2	9.9	1.8	9.7	20.4	3.5
ISEQ Overall Return	35.8	16.8	33.6	-2.7	9.7	-0.4
FTSE 100 TR	18.7	0.7	-1.3	19.1	11.8	2.2
Euro Stoxx 50 TR	21.5	4.0	6.4	3.7	9.2	0.9
S&P 500 TR	32.4	13.7	1.4	12.0	21.8	5.9
Nasdaq Composite	38.3	13.4	5.7	7.5	28.2	13.3
Nikkei 225	56.7	7.1	9.1	0.4	19.1	-0.3
MSCI Emerging Markets	0.9	2.6	-8.0	7.1	27.8	-3.6
Eurozone Government Bonds 1–5 yr	2.1	3.4	1.0	0.9	-0.2	-0.3
Sovereign 10yr Bond Yields (%)	2013	2014	2015	2016	2017	2018 YTD
U.S.	3.0	2.2	2.2	2.4	2.4	2.9
German	1.9	0.5	0.6	0.2	0.4	0.4
UK	3.0	1.9	1.9	1.2	1.2	1.2
Japan	0.7	0.3	0.2	0.0	0.0	0.1
Ireland	3.4	1.3	1.1	0.7	0.7	0.8
Italy	4.1	2.1	1.6	1.8	2.0	2.6
Greece	8.2	9.6	7.9	7.1	4.1	3.8
Portugal	6.1	2.7	2.5	3.8	1.9	1.8
Spain	4.1	1.6	1.7	1.4	1.6	1.3
Central Bank Rates (%)	2013	2014	2015	2016	2017	2018 YTD
ECB	0.25	0.05	0.05	0.0	0.0	0.0
Bank of England	0.25	0.50	0.50	0.25	0.50	0.50
U.S. Federal Reserve	0.25	0.25	0.50	0.75	1.50	2.0
Foreign Exchange Rates	2013	2014	2015	2016	2017	2018 YTD
Euro/Dollar (€/\$)	1.37	1.21	1.09	1.04	1.20	1.17
Euro/Sterling (€/£)	0.83	0.78	0.75	0.84	0.89	0.89
Sterling/Dollar (£/\$)	1.65	1.56	1.46	1.24	1.36	1.31
IPD All Property Return % (in Local Currency)	2013	2014	2015	2016	2017	2018 YTD
Ireland	12.3	36.1	25.1	12.6	8.1%	2.8% (To end of Q1)
U.K.	10.7	17.8	13.1	3.6	10.3%	1.9% (To end of Q1)
U.S.	11.4	11.2	12.1	7.8	7.1%	2.2% (To end of Q1)

*Past performance is not a reliable guide to future performance and may fall as well as rise.